but it will be given under a single window. Sir, this is a welcome stand of the Government and I think that this is a first stage or a first step for merging all the financial institutions into one. Secondly, similarly, whether the Government will borrow loans only through one agency instead of so many agencies.

SHRI VISHWANATH PRATAP SINGH: I do not say one agency, but certainly we have one control of the Government. The Government does take an overall view. It takes a decision on the quantum, how much to import. There is control. But about one agency, I do not think it will be very desirable.

SHRI NIRMAL CHATTERJEE: Sir, one aspect of the question can be that when we pay a particular rate of interest to the World Bank from India, the Government at the Centre is in the habit of charging much* more from the States. So, I would like to know how much more has been charged from the States compared to our payment to the World Bank. Secondly, is the Finance Minister considering that a huge trade deficit is a 'must' for keeping the price-level in the country within manageable limits?

SHRI VISHWANATH PRATAP SINGH: Sir, so far as the States are concerned, there are various external commercial borrowings, etc. and they are aggregated. That is why one uniform rate is given to all the States. As for the question whether trade deficit is a must to bring down prices well, he is stating a general theory that with a big trade deficit, you can bring down prices. But we are no following that theory. The word must is very mischievous. We are going to reduce our trade gap and at the same time, see that inflationary pressures are not developed. But in certain areas, I must admit there is a conscious decision. So far as edible oil is concerned, there is a conscious decision. There we are reducing the gap by cuttting down the quantum of edible oil. There is an inflationary pressure which we have consciously accepted.

MR. CHAIRMAN Next question.

*305. [The *questioner (Shri Krishna Kumar Birla) was absent. For answer,* vide Col. 38-39 *Infra].*

Newsitem captioned Wider Textile pact with EEV

*306. SHRI HARVENDRA SINGH HANSPAL: Will the Minister of TEXTILES be pleased to state:

(a) whether Government's attention has been drawn to a news-item captioned "Wider textile pact with EEC" published in the 'Hindustan Times' of the 6th November, 1986;

(b) if so, what are the details in this regard; and

(c) what are the terms and conditions of the agreement?

THE DEPUTY MINISTER IN THE MINISTRY OF TEXTILES (SHRI S. KRISHNA KUMAR): (a) Yes, Sir.

(b) and (c) A Statement is laid on the Table of the House.

Statement

Exports of textile and clothing products from India to the European Economic Communoty (EEC) have been regulated under bilateral agreement between India and the EEC under the framework of the Multifibre Arrangement, a GATT instrument which is in existence from 1974. Since the current textile agreement between India and the EEC (1983—861 is expiring on 31 December, 1986, a new agreement was initialled on 31 October, 1986 at Brussels after two rounds of negotiations between the delegations of India and

the EEC. This agreement will be operative for a period of five years effective from 1 January 1986 with a provision for extension for another year subject to mutual consent by both sides. The following are the main features of the agreement-

(i) Out of the total product coverage of 114 textile and clothing categories included in the agreement, only eleven categories are subject to quantitative restraints as against eighteen in the current agreement. The eleven categories are: Woven Cotton fabrics, T-Shirts Woven trousers and shirts, blouses men's woven shirts, women's coats and Jackets Bed linen, dresses, shirts, suits and costumes of women and girls and linen.

(ii) In the case of the above eleven categories, increased market access is available in terms of increased base quotas annual growth and flexibilities. Further, a system, of automartic trianfer of the existing quotas among the Member states of the EEC to the extent of. 2 percent in 1987 and progressively increased to 12 percent in 1991 has been introduced.

(iii) Quota-free status to hand-loom fabrics and made-ups and also India Items is available. In the case of handloom garments, which had hitherto been benied such status additional quotas of 3.35 million pieces have been allowed for four handloom categories viz. trousers, shirts women's coats . and skirts,

(iv) Safeguard provision have been introduced in the protection of past access rights in the case of introduction of fresh restraints:

(v) The agreement contains the 'usual provisions on administrative aspects such as co- operation exchange of statistics etc.

SHRI HARVENDRA SINGH HANSPAL: Sir the agreement with EEu countries looks to be encouraging for the exporters. The Minister in his reply in para (iv) has stated that safeguard provisions have been introduced. Looking to our past experience with EEC, I would like to ask the hon. Minister what safeguard provisions have been made in the event of introduction of restraints on categories on which restraints have been removed.

SHRI S. KRISHNA KUMAR: Sir. as the hon. Member has stated, the new agreement with EEC is a substantial improvement on the agreement which is going to expire on the 31st December. And the new agreement has been widely welcomed by the trade. It shows improvement on seven different aspects, including sagefuards. In the current agreement, 18 categories were under specific restraint against which only 11 categories will be subject to restraint-in the new agreement. Categories which were dropped are categories 9, 17 and 19. Now when it is taken out of restraint, it mean-i that the trade can without restraint market these products. The triggering level or the triggering mechanism by which the importing country may impose restrictions under the multi-fibre agreement has also been doubled; that is, only when double the normal export is reached, the triggering mechanism will apply. These are the safeguards.

SHRI HARVENDRA SINGH HANSPAL: What protections are available in the agreement for the reedjustment of community quotas in the critical categories of cotton fibres without affecting current trends in trade? Has any dispensation been worked out for children-wear which will make for increased trade?

SHRI S. KRISHNA KUMAR. The new agreement envisages a higher flexibility. Against 15 per cent in the current agreement, the new agreement envisages flexibility to the extent

of 17 per cent. In addition to this an additional flexibility for inter-regional transfer of quotas from one member-State to another within a limited percentage has also been envisaged. As the honourable Member has mentioned, a special dispensation for children's garments has been made into categories, namely, knitted shirts and trousers.

Increase in visa fees

*307. SHRI RAMSINGHBHAI PA-TALI YABHAI RATHVAKOLI: Will the Minister of EXTERNAL AFFAIRS be pleased to state:

(a) whether it is a feet that Government have issued instructions *to* Indian Missions abroad to increase the visa fees in respect of British Nationals visiting India;

(b) if so, what are the details in this regard; and

.(c) how many visitors are likely to be affected thereby annually?

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL. AFFAIRS (SHRI EDUARDO FALEIRO) (a) Yes, Sir.

(b) Consequent on the U.K. deci sion to increase its visa fees, the Gov ernment of India also increased visa fees for U.K. nationals corresponding ly with effect from 10th November, 1986.

(1) Single entry visa Rs. 347.C0

(2) Double or triple entry visa Rs. 694.00

(3) Long term visa Rs. 868.00

(c) All UK visitors to India would be required to pay the enhanced fees effective 10th November, 1986. The effect of these reciprocal measures on the number of visitors would have f- be assessed in the light of actual arrivals in future.

श्री रामसिंह भाई पातलीया भाई राठवा: माननीय सभापति महोदय, मैं आपके माध्यम से मंत्री महोदय, से यह जानना चाहता हूं कि अभी तक यह बीजा फीस बहुत कम थी और उसको अब बढ़ाने की क्या जरूरत पड़ी ? इससे हमारे देश के और उस देश के लोगों के आवागमन में कोई बाधा आएगी ?

SHRI EDUARDO FALEIRO: The increase in the visa fee by itself would not have any particular effect. The question is different. The point is the British Government now imposes the requirement of visa for us to enter into Britain, to us and some other countries like Pakistan and Bangladesh. They have also indicated their intention of imposing the condition that some African countries like Nigeria and Ghana will be required to obtain a visa for their citizens as and when they want to enter into Britain.

PROF. C. LAKSHMANNA:The UK Government raised the visafees and to retaliate that we havealso raised...

MR. CHAIRMAN: Not in retaliation; in sympathy.

PROF. C. LAKSHMANNA: My question is in two parts: (1) Whetner the increase by the Indian Government will have any impact no the, UK Government regarding its policy of introducing visa first and then raising the fees; (2) If it is only a retaliatory measure, I would like to know what was the percentage of increase in the visa fees by the UK for Indian citizens and what is the percentage rise of visa fees by India on the UK citizens. And do you try to maintain parity there also?

SHRI EDUARDO FALEIRO: Yes, Sir. We want to maintain and we have maintained parity there also. The increase has been on the basis of reciprocity which is a basic principle in international relations. In response to the question of the honourable Member may I say that the increase in vasa